

Chart Packet

Mid-Session Review

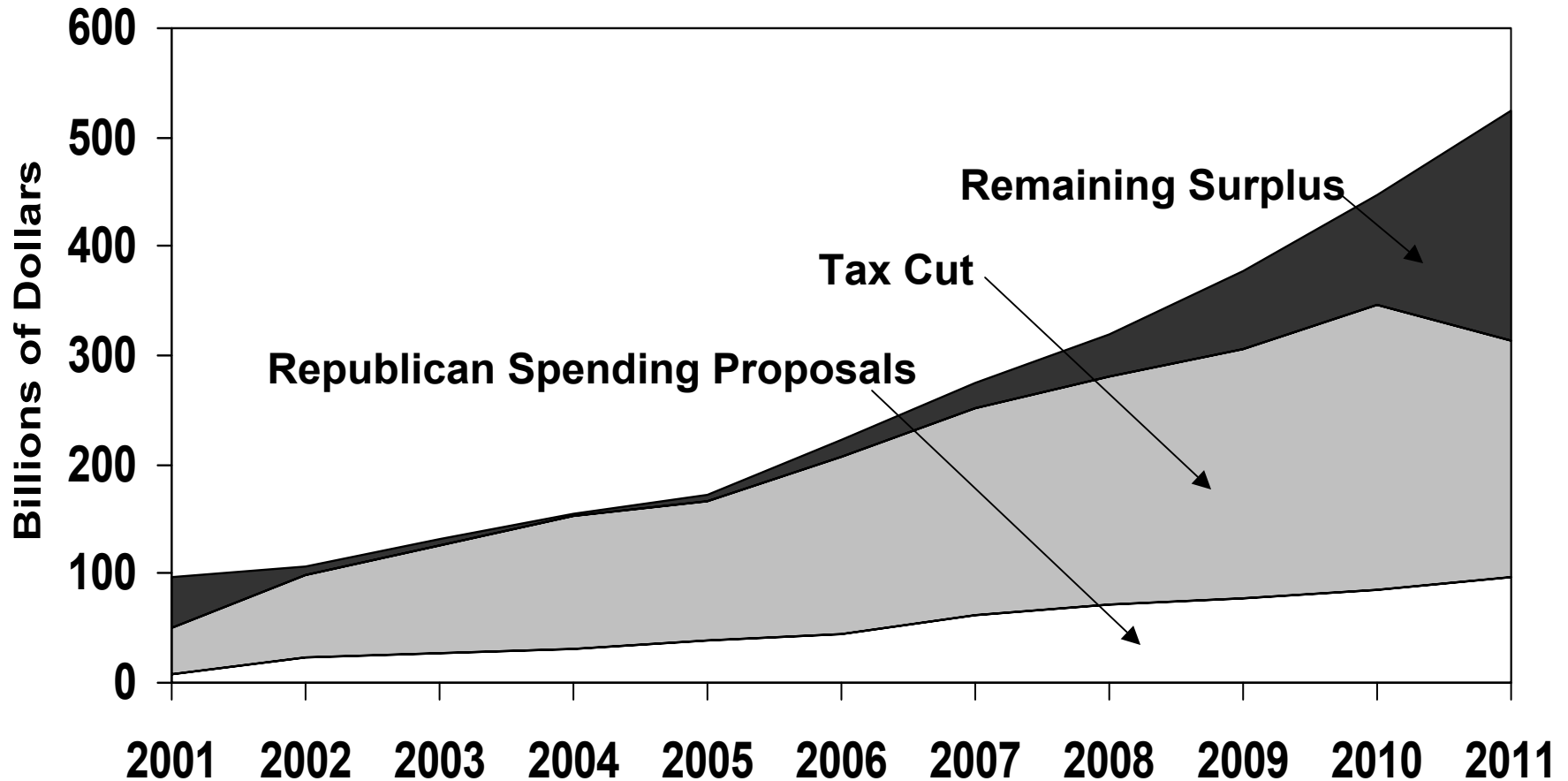
House Budget Committee Democrats

Congressman John Spratt

Ranking Member

Summer 2002

Last Year's Republican Budget Left No Margin for Error



**April 2001 Projection of Non-Medicare, Non-Social Security Surplus;
Tax and Spending Proposals in Last Year's Republican Budget Resolution**

\$5 Trillion Gone Under Republican Leadership

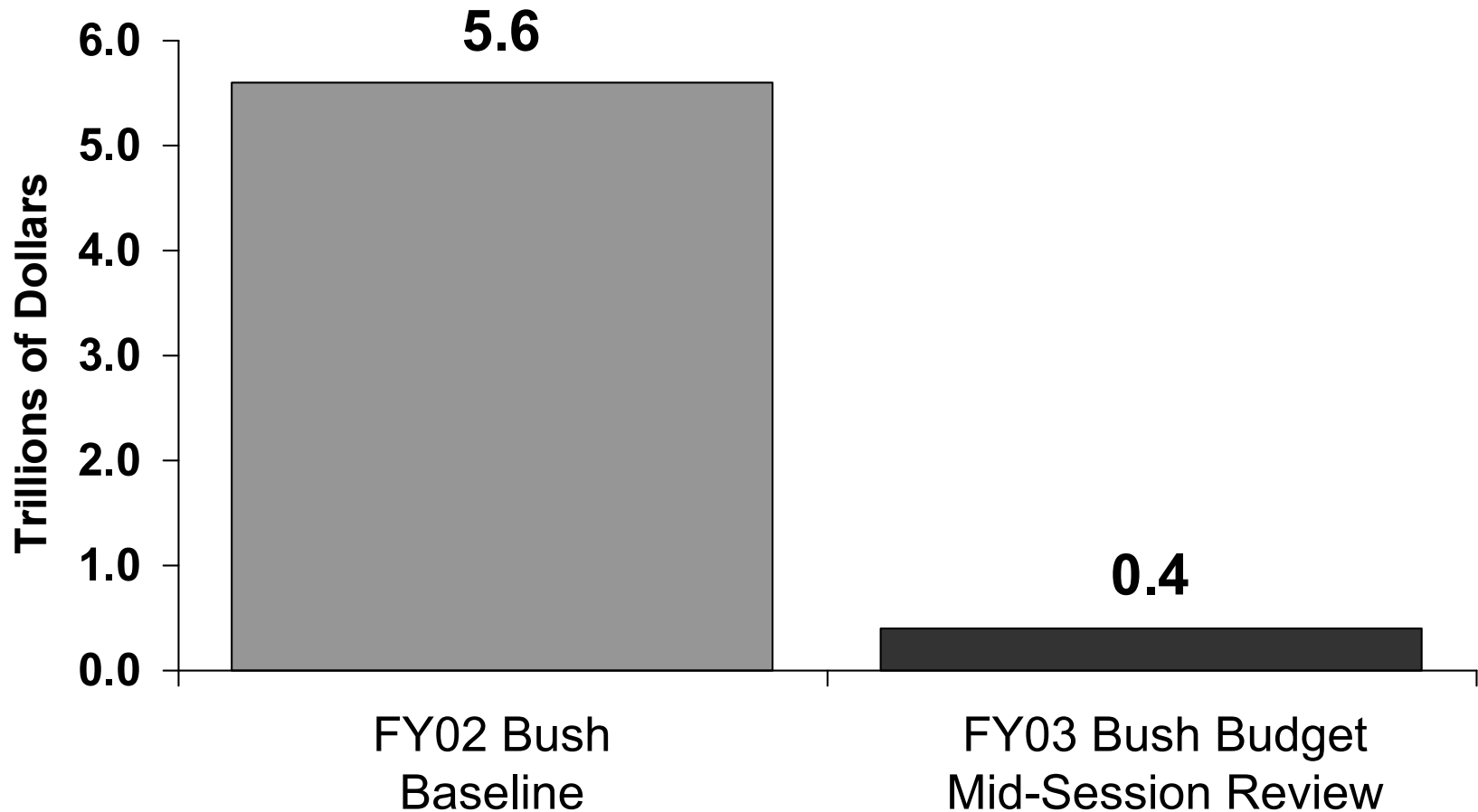
Unified Budget in Trillions of Dollars

	2002-2011
April 2001	5.637
August 2001	3.113
February 2002	0.661
July 2002	0.444

Source: Office of Management and Budget

From \$5.6 Trillion to \$444 Billion in One Year

Total Unified Surplus, 2002-2011



From Surplus to Deficit in Non-Social Security Budget

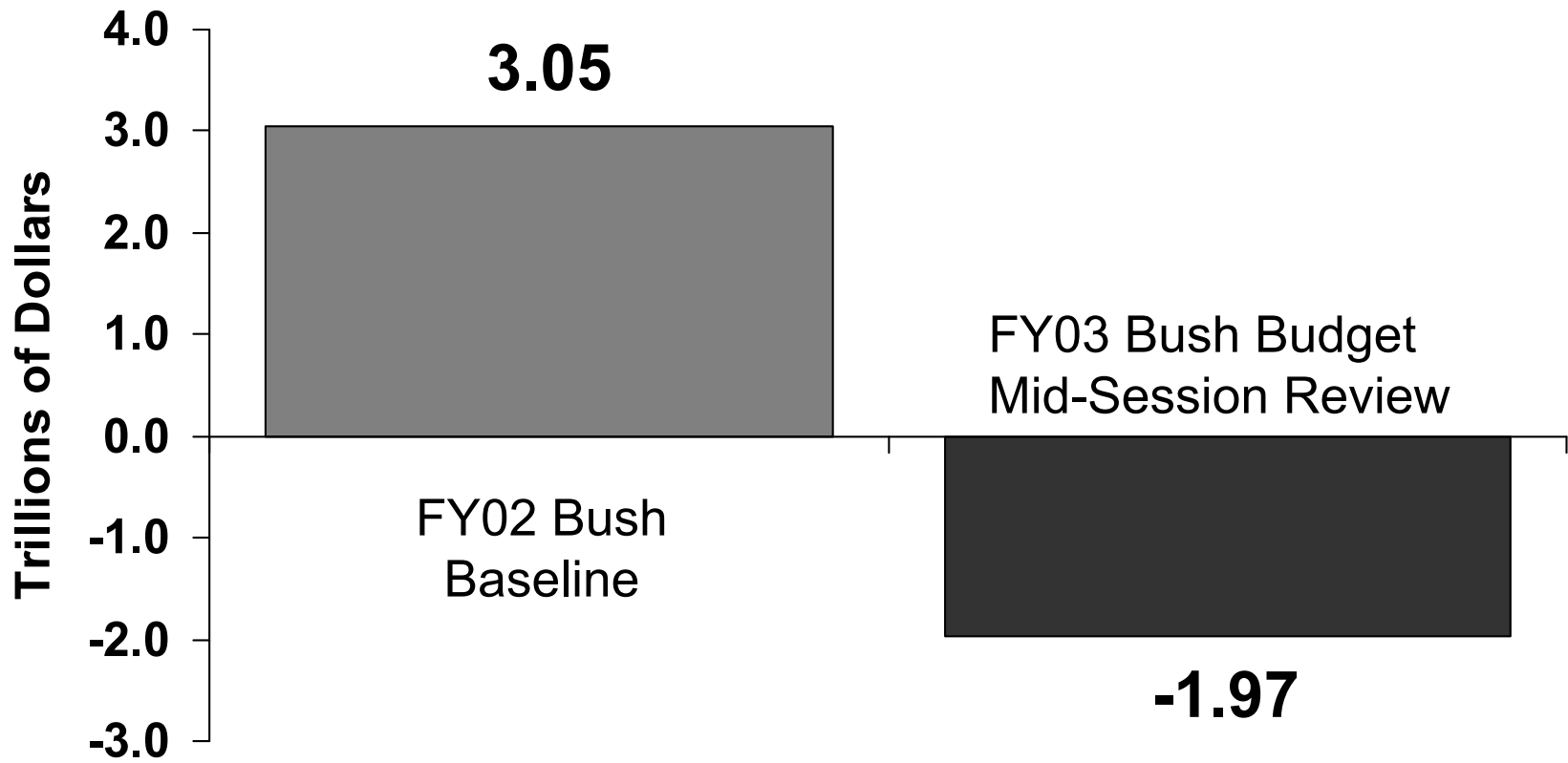
Trillions of Dollars

	2002-2011
April 2001	3.046
August 2001	0.575
February 2002	-1.650
July 2002	-1.968

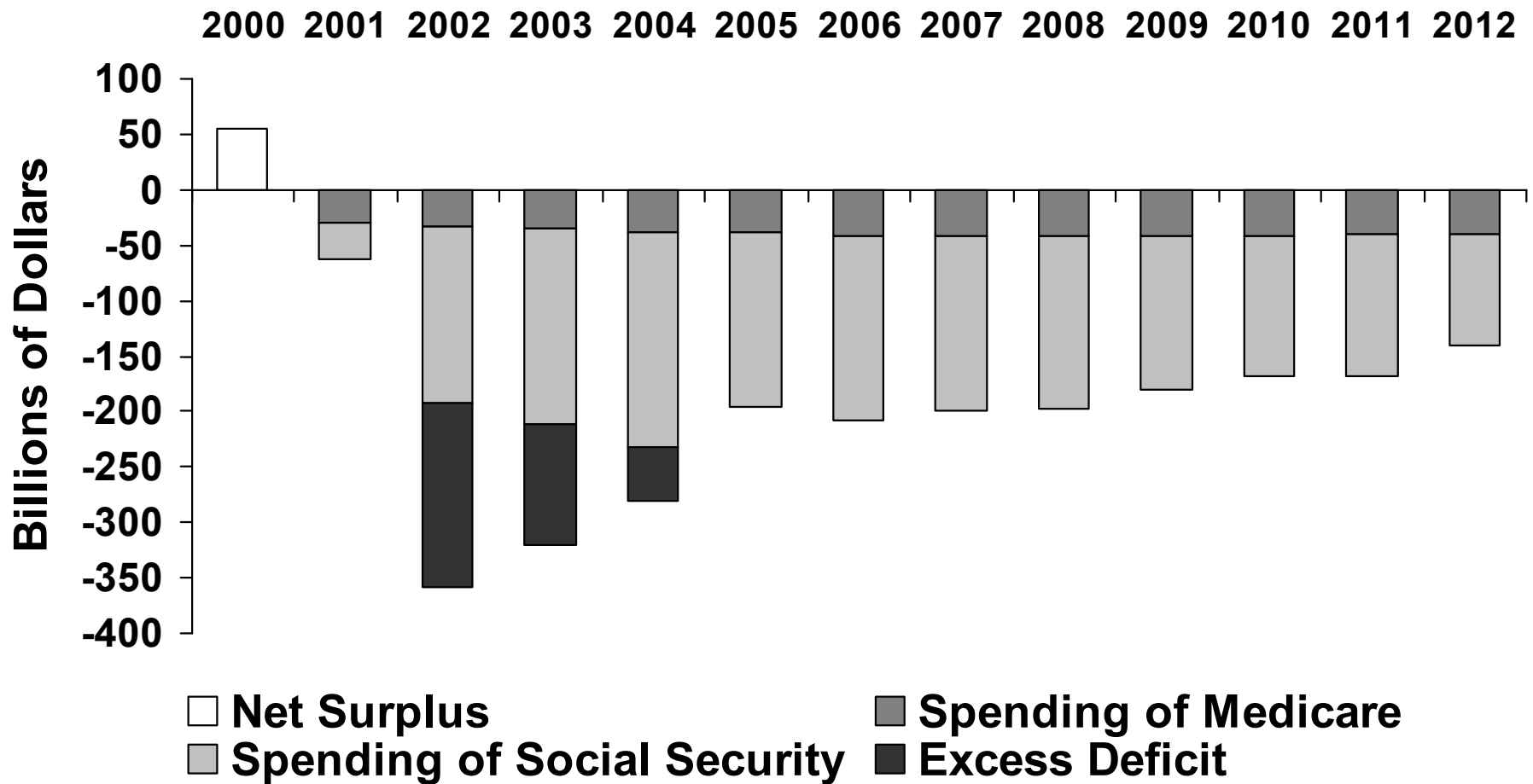
Source: Office of Management and Budget

Republicans Spend the Social Security Surplus

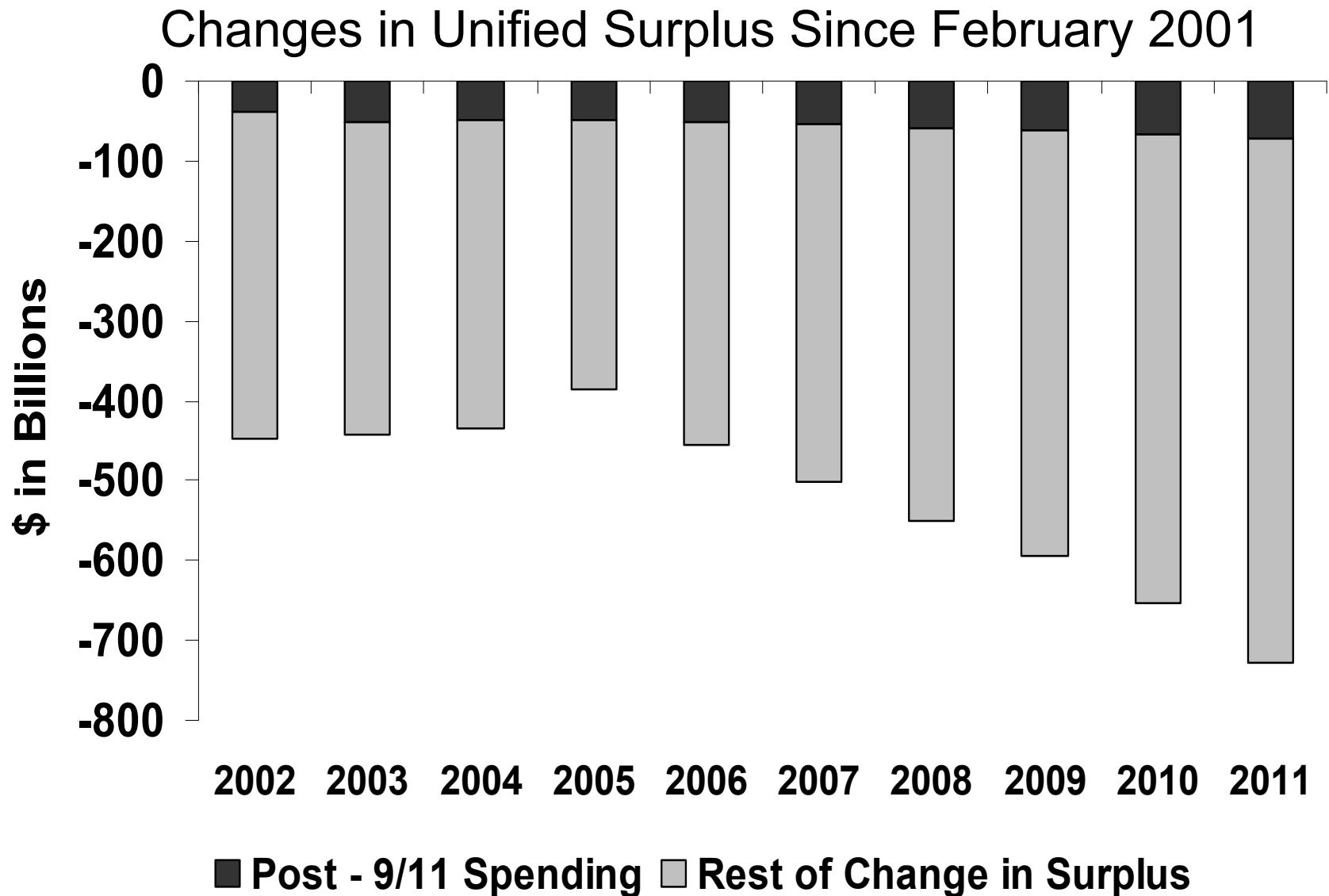
Total Non-Social Security Surplus, 2002-2011



President's Budget Spends Social Security and Medicare



Gauging the Impact of September 11:

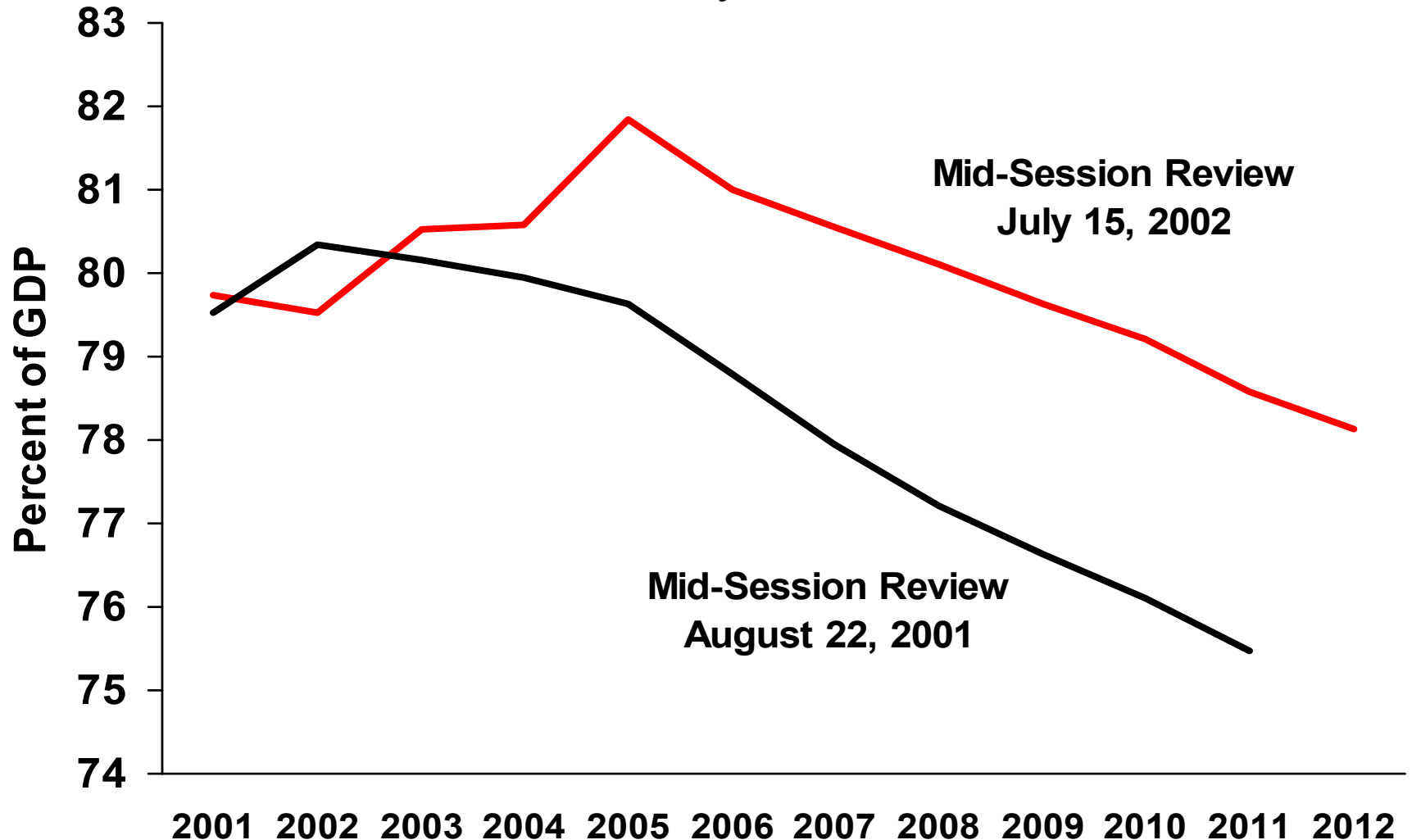


The Mid-Session Review Numbers Are Not Credible

- Optimistic GDP growth
- Higher share of GDP assumed taxable
- Medicare baseline more optimistic than CBO
- Omitted fix of AMT and extension of expiring tax benefits
- Assumed expiration of depreciation benefit in 2004
- Omitted extra cost of House Medicare Rx bill
- Omitted costs of President's proposed spending increases
- Omitted costs of natural disasters

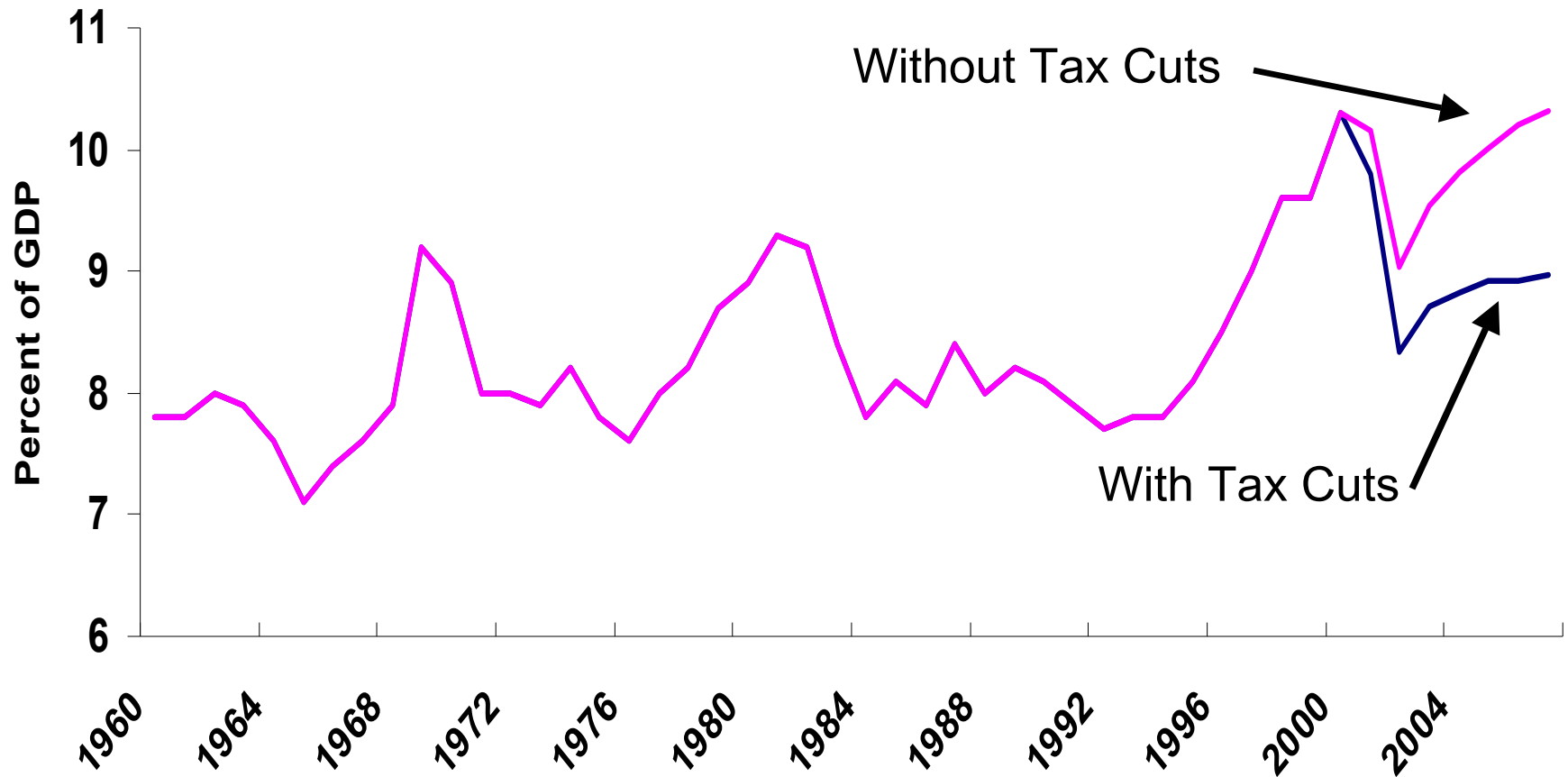
Taxable Portion of GDP

OMB Projections



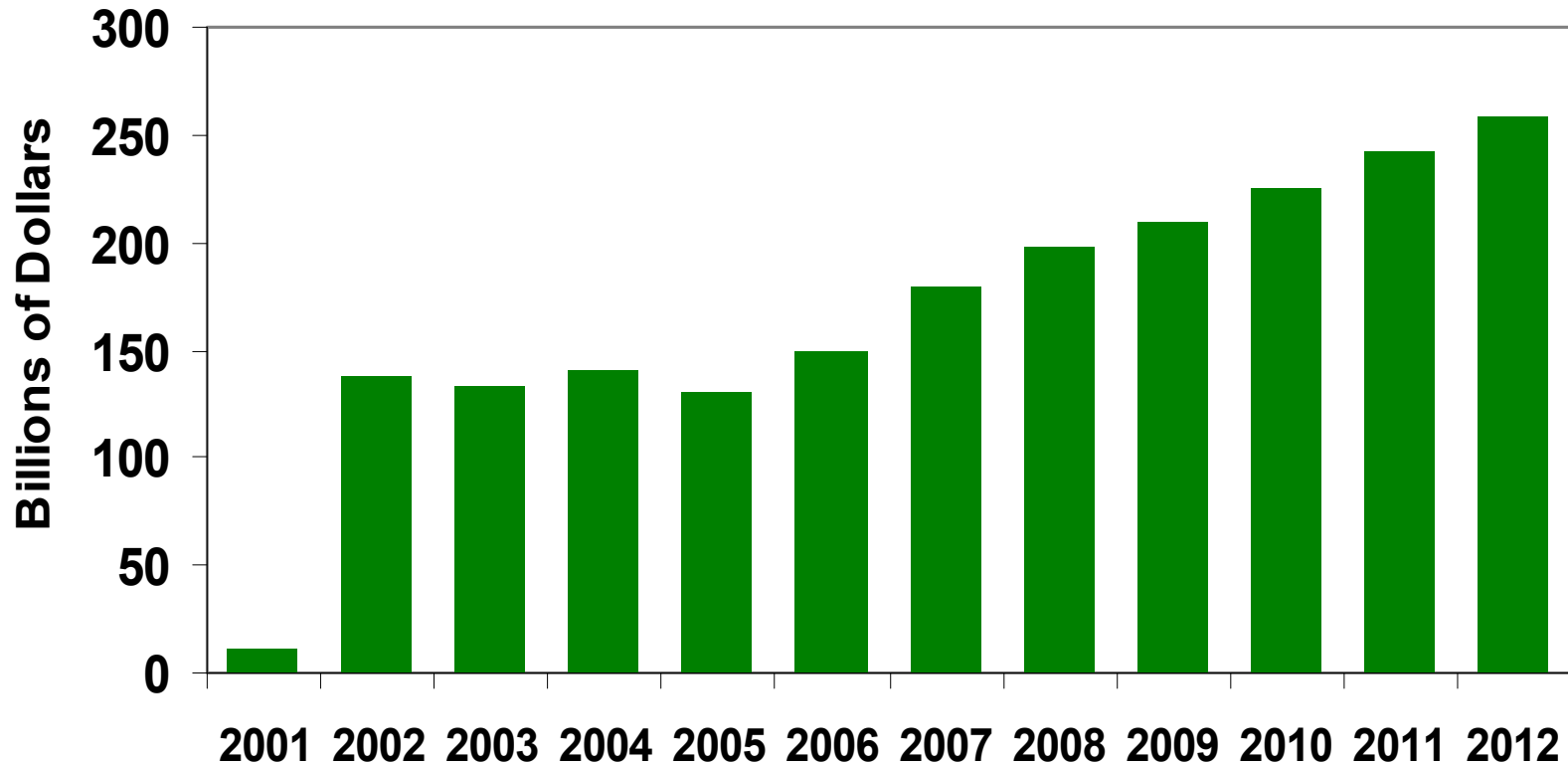
Administration Revenue Outlook Still Rosy

Individual Income Tax Revenues



OMB Projects Higher GDP

**Difference Between OMB's Current GDP
Projection and February 2002 Projection**



OMB Mid-Session Review:

Percent Change in Appropriations, 2002-03

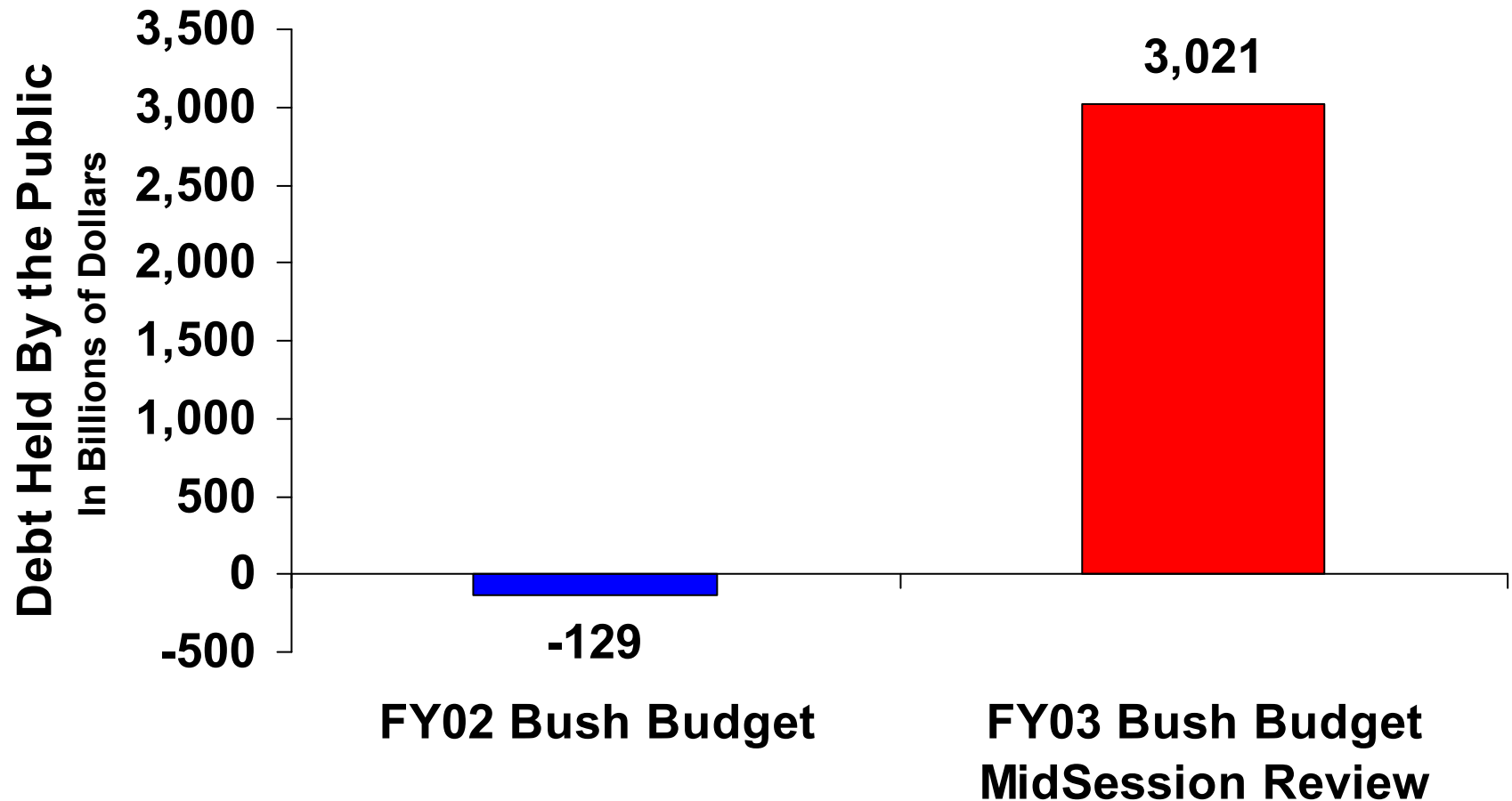
(dollars in billions)

	2002	2003	% change
Total Discretionary Budget Authority	688	757	10%
minus Defense	328	376	15%
minus Homeland Security	12	25	111%
= Other Gov't Operations	348	356	2%
minus International	24	25	5.1%
plus Transportation	41	33	-19.7%
= Domestic Appropriations	364.9	363.6	-0.4%

Pending and Prospective Tax Reduction 2003-2012

New Tax Proposals in Mid-Session Review (OMB)	141
Tax Extenders in Mid-Session Review (OMB)	62
Repeal of 2010 Sunset (OMB)	338
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President's Mid-Session Review Subtotal	541
Make Permanent Stimulus Bill Depreciation (JCT)	245
AMT: Extension of 2001 Provision (CBO)	139
AMT: Hold Harmless for 2001 Enacted Tax Cuts (JCT/HBC)	127
AMT Hold Harmless at Current Incidence (HBC)	150 - 250
Other Tax Extenders (CBO)	166
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Missing Pieces Subtotal	827 – 927
Grand Total	1,368 – 1,468

From Debt-Free to \$3.0 Trillion in Debt in 2011



Budget Deterioration To Date

